Report on the Restructuring of the Health and Safety Delivery Organizations

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Toronto
July 1996

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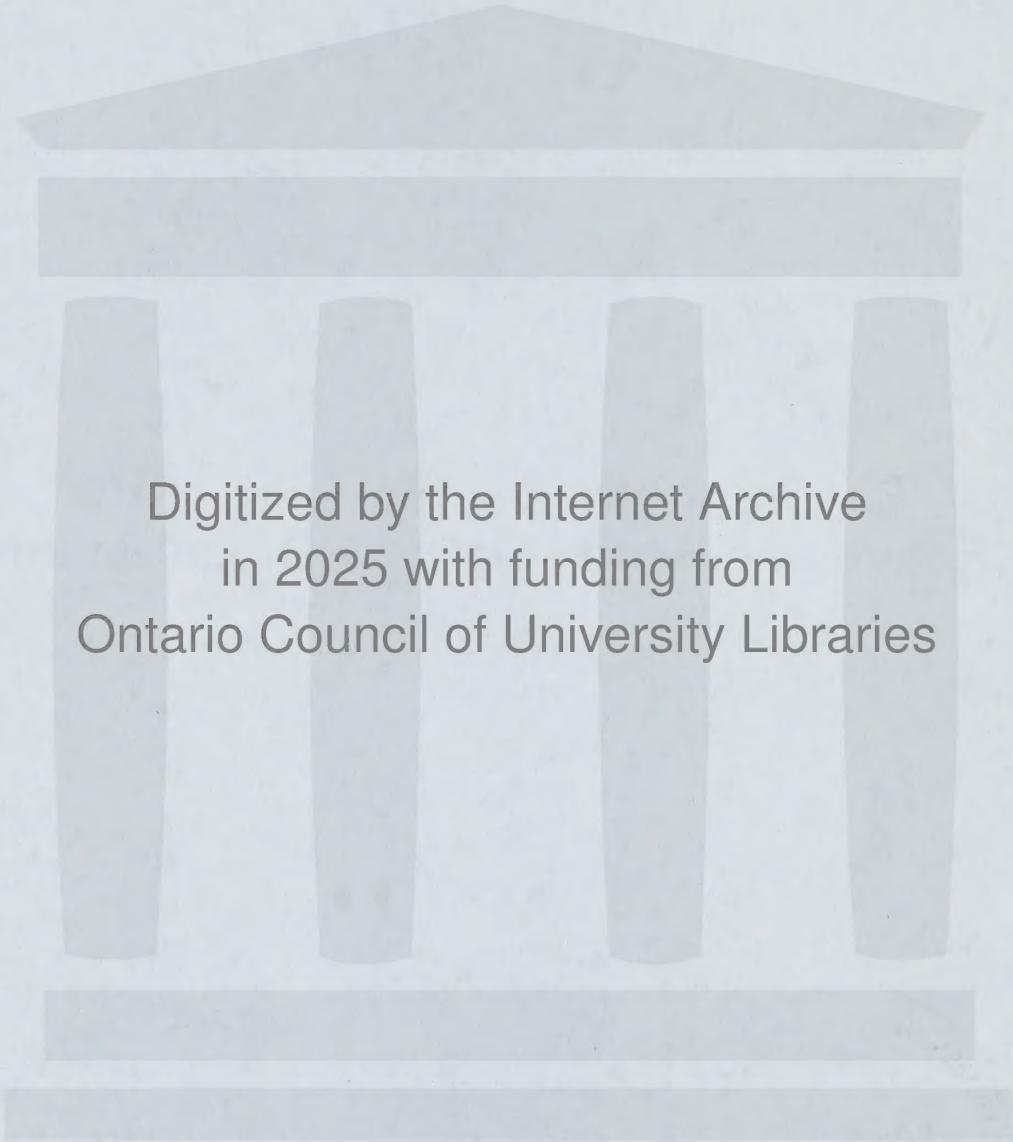
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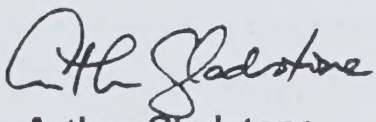
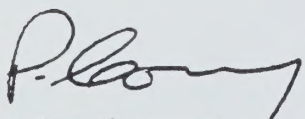
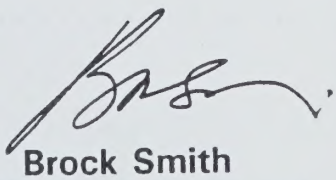
Report of the Task Force on the Restructuring of the Health and Safety Delivery Organizations to the Honourable Elizabeth Witmer Minister of Labour



Arthur Gladstone
Chair



Pat Coursey
Member



Brock Smith
Member

Toronto
July 1996

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EXECUTIVE SUMMARY

On March 21, 1996, the Task Force was commissioned to make recommendations to the Minister of Labour with respect to the restructuring of the Health and Safety Delivery Organizations (HSDOs).

This review included the following organizations:

- Construction Safety Association of Ontario (CSAO),
- Electrical Utilities Safety Association (EUSA),
- Industrial Accident Prevention Association (IAPA),
- Municipal Health and Safety Program (MHSP),
- Ontario Natural Resources Safety Association (ONRSA),
- Transportation Safety Association of Ontario (TSAO),
- Workers Health and Safety Centre (Workers Centre),
- Occupational Health Clinics for Ontario Workers (OHCOW), and
- Farm Safety Association (FSA).

Together, they form a significant network of prevention-oriented services, employ some 590 people and receive grants from the Workplace Health and Safety Agency (WHSA) and the Workers' Compensation Board (WCB) totalling $ 47 million annually.

Vision

The Task Force first concluded that the overall prevention program requires a common vision that is performance-based, results-oriented and committed to continuous improvement. The governance of the HSDOs should be designed to facilitate this performance-based vision.

The WCB should expand its mandate to include responsibility for prevention. Associations are a major component. The WCB should hold the Associations accountable for results through performance agreements.

Composition

The Task Force was asked for advice on the composition of the boards of the Associations. The complexity and diversity of the Ontario economy suggests the need for flexibility. No one solution fits all circumstances. The Task Force recommends that the WCB determine in each case whether an Association board is "representative" of the sector. If the sector membership is supportive and the Association board is functioning successfully, the WCB should deem it to be "representative".

Streamlining

The need to avoid duplication and run efficiently is another objective of the WCB in its accountability relationship with the Associations. The WCB should have the means to work with the Associations to streamline their support services.

Governance

Where a "representative" Association board agrees to performance standards and streamlining objectives with the WCB, the Association board should be "executive" in nature. Where a board is not representative and is not functioning appropriately or fails to agree upon the other matters, the WCB should have the authority to intervene and run it on a day-to-day basis until the

issues are resolved. The Association board would serve in an advisory capacity during this period.

Sector Orientation

The Task Force supports the need to have Associations that are primarily sector-based and makes specific recommendations along these lines.

One Location

It should be possible to reduce costs and improve coordination by relocating all Toronto-based Associations to one location, such as the WCB Downsview Rehabilitation Centre. The co-location of the Associations' regional office staff in MOL or WCB regional/district offices should also be studied. An overall target of 30% is recommended for reducing support services costs.

Rate Groups

The Task Force examined the funding base of the Associations. It supports the principle that Associations be linked to rate groups. Rate group members should pay for the budget of their Association. Cross-subsidization should end in 1997. Equally important is the principle of seamless access by employers and employees to services across the network.

SUMMARY OF RECOMMENDATIONS

Recommendation 1

The Task Force recommends that the MOL and the WCB, in consultation with the sector associations and other stakeholders, establish a performance-based prevention program committed to continuously reducing workplace injury and illness. (see p.5)

Recommendation 2

The Task Force recommends that the Associations be governed by executive boards deemed representative by the WCB. (see p.11)

Recommendation 3

The Task Force recommends that each executive board develop performance standards and streamlining objectives with the WCB. (see p.11)

Recommendation 4

The Task Force recommends that, where an Association cannot meet recommendations 2 and 3, the WCB have the authority to take direct responsibility for the affairs of the Association on a provisional basis. (see p.11)

Recommendation 5

The Task Force recommends that a multistakeholder Workplace Health and Safety Advisory Council to the WCB be established to provide advice on strategic issues. (see p.11)

Recommendation 6

The Task Force recommends:

- that the Construction Safety Association of Ontario continue,
- that the Electrical Utilities Safety Association continue,
- that the Transportation Safety Association of Ontario continue,
- that the Farm Safety Association continue,
- that the Municipal Health and Safety Program become the Municipal Health and Safety Association, established as a corporate entity,
- that the Ontario Natural Resources Safety Association be replaced by separate Associations for mining, forestry, and pulp and paper,
- that the funding for the education and health care sectors be removed from the Workers Centre and that two new Associations, one for each sector, be created,
- that a new Association be established for the private service sector and that the appropriate rate groups and their monies be removed from the Industrial Accident Prevention Association, and
- that the IAPA continue to be responsible for the broader manufacturing sector. (see p.12)

Recommendation 7

The Task Force recommends that consideration be given for the mine rescue program to be assigned to the Mines Accident Prevention Association of Ontario. (see p.13)

Recommendation 8

The Task Force recommends that the Associations pool services in geographic communities to support the self-reliance of small business. (see p.14)

Recommendation 9

The Task Force recommends

- that the Minister of Labour direct the WCB to pursue streamlining the Associations,
- that the streamlining of Association support services set an initial reduction target of 30%,
- that the WCB pursue streamlining options which include relocation to its Downsview Rehabilitation Centre and establishing a common services unit or, absent the relocation, simply establishing a common services unit. (see p.18)

Recommendation 10

The Task Force recommends that the sectoral Associations have their funding directly linked to rate groups and that cross-subsidization cease. (see p.20)

INTRODUCTION

On March 21, 1996, the Honourable Elizabeth Witmer, Minister of Labour, announced a five-part initiative to reform the health and safety program in the Province. She indicated that the core health and safety business of the Ministry (MOL) was to set, communicate, and enforce standards. She announced that the Workers' Compensation Board (WCB) would inherit the functions of the Workplace Health and Safety Agency and that prevention would become a major priority for the WCB.

As part of the initiative, she appointed a three-person task force to provide advice on how the Health and Safety Delivery Organizations (HSDOs) should be governed by the WCB. The Task Force members are **Pat Coursey**, then Assistant Deputy Minister, Operations, Ministry of Labour, **Brock Smith**, then Interim President and CEO, Workers Compensation Board, and **Arthur Gladstone** (chair), Executive Director, Workplace Health and Safety Agency.

There are seven HSDOs: Construction Safety Association of Ontario (CSAO), Electrical Utilities Safety Association (EUSA), Industrial Accident Prevention Association (IAPA), Municipal Health and Safety Program (MHSP), Ontario Natural Resources Safety Association (ONRSA), Transportation Safety Association of Ontario (TSAO) and the Workers Health and Safety Centre (Workers Centre). The Occupational Health Clinics for Ontario Workers (OHCOW) and the Farm Safety Association (FSA) are also included in the review.

The Minister set out several criteria for the Task Force to consider in preparing its advice.

- Should the HSDOs be sectoral in nature?
- Should the HSDOs be governed by multistakeholder boards?

- How can duplication and inefficiency be eliminated?
- Should the organizations have their funding directly linked to the member rate groups?

The Task Force builds on the work already carried out by the Review Panel on Workplace Health and Safety which reported in December 1995. Its report sets out background information which is contained in Appendix A of this report.

In April 1996, the Task Force held 16 informal meetings with 73 people representing organizations, including the HSDOs, Clinics, major trade associations interacting with the HSDOs, professional associations, individual corporations, and trade unions. Appendix B sets out a list of these groups. Written submissions were received from a number of organizations and individuals, listed in Appendix C.

Following the meetings, the Task Force prepared some proposals reflecting its understanding of how its terms of reference could be best implemented. In May, it met with most of the same groups to obtain their reaction to these proposals. This paper is the conclusion of the process. It accounts for the comments made during the consultative process and includes recommendations.

The Task Force thanks all those who made themselves available to participate in the discussions. Their frank advice has helped immeasurably.

NEW VISION

The Ministry of Labour and the Workers' Compensation Board will have the major responsibility for the future direction of occupational health and safety. The MOL Business Plan[1] has reaffirmed workplace health and safety as one of its three core businesses. It has defined its role to be setting, communicating, and enforcing standards. It is in the process of reshaping its organization to emphasise these functions. The WCB has been given a primary mandate in prevention. Prevention of potential hazards is key to reducing the cost, both personal and societal, of injuries and disease. The WCB will assume responsibility for the HSDOs.

The Task Force believes that the MOL, the WCB, and the HSDOs must work together to achieve common goals. In some sectors, there are processes in place that enable co-ordination between the HSDOs, MOL and the WCB. For example, in the area of certification training, there has been an effort made to work together to implement this sizeable initiative. However, from a strategic perspective, the organizations have often operated as separate solitudes, and, this should not continue. Instead, the MOL, the WCB, and the HSDOs should be aligned so their work can be focused on common objectives and be complementary.

How can preventive efforts of the MOL, the WCB, and the HSDOs be brought into alignment? The Task Force believes that a new direction must be performance driven and committed to continual improvement.

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[1] Business Plan, Ministry of Labour, Toronto, 1996.

Such an approach is already in place in some other provinces.[2] In discussions with stakeholders, the Task Force found general support for a performance-based approach in Ontario. The MOL and the WCB/HSDOs should learn from the best, and transfer knowledge to those who need the attention and assistance. One suggestion was that the criteria for identifying poor performing rate groups or companies be developed in consultation with stakeholders. Others noted that the data available may not mirror the reality of the practices within a company identified as a poor performer or a good performer. The data should be verified as the first step in the priority setting process.

As the problems of a rate group and the companies therein are studied, it will become apparent that, in addition to preventive efforts, there may be significant issues relating to return to work, rehabilitation, or compensation practices. These should also be addressed, so that the overall costs to the system are driven down and injured workers receive improved service resulting in return to work at the earliest date. Accordingly, the prevention function in the WCB should be closely aligned with the return to work, rehabilitation, and compensation functions.

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[2] In British Columbia, the Workers' Compensation Board has set out its prevention objectives in the "Diamond Program". This targets those rate groups with the worst cost and accident records. By bringing these under control, it will also move the rate groups into a fully funded position. The B.C. Board is also examining how return to work, rehabilitation, and compensation practices in each of these rate groups could help to achieve success.

In New Brunswick, the Workplace Health, Safety, and Compensation Commission has identified those companies which generate 50% of the revenue but contribute 80% of the costs to the system as one of its priorities. It also integrates the management of workplace health and safety services with return to work, rehabilitation, and compensation services. A common management structure facilitates customer service for the injured worker and the employer.

In considering how Ontario could adopt a similar approach, it should be noted that data exist which would enable the WCB and the Ministry to identify those rate groups which are in trouble and those companies within them which need attention. Data also exist which identify the best performers and the worst performers over a six-year period, taking into account injury frequency and cost. The issue is not data, but the need to put them to effective use in the cause of prevention.

It should be noted that the information on company performance is not public. In developing a performance-based approach, the WCB should consider whether this information should be made public.

Continuous improvement would be built into the targetting process. As companies improve their record, and the record of the rate group improves, then new priorities will be identified and the bar of performance raised.

Taking all these issues into account, the Task Force recommends that the prevention initiative should be based on priority rate groups and companies. The MOL and the WCB should work out how they co-ordinate their efforts in the companies to ensure efforts are complimentary and that objectives are achieved.

Recommendation 1: That the MOL and the WCB, in consultation with the sector associations and other stakeholders, establish a performance-based prevention program committed to continuously reducing workplace injury and illness.

The organizations which form the network of HSDOs will operate in a new environment with a new mission. The cumbersome term 'HSDO' does not reflect this new direction. Indeed, it masks too many differences among the member organizations.

The Task Force considered with the stakeholders several umbrella terms to collectively describe the associations. The one which received the most positive support was Safe Workplace Associations (in the remainder of this document, the HSDOs will be referred to as *Associations*). The Task Force is not suggesting that the names of the individual associations be changed.

GOVERNANCE AND ACCOUNTABILITY

As noted in the previous section, the President of the WCB and the Deputy Minister of Labour will develop, in consultation with the stakeholders, a strategic direction for prevention. This section deals with how the WCB and the Associations can carry out their mandate.

Previously, the accountability of Associations was primarily linked to funding. The experience of the past five years under the Workplace Health and Safety Agency suggests that funding power alone is insufficient to achieve a performance-based prevention program. What is needed, in addition, are performance agreements between the WCB and each of the Associations. Moreover, the WCB should be empowered to ensure that the Associations' boards are functional and are supported by their constituents. Finally, the WCB must have the authority to require the Associations to participate in a streamlining process to reduce costs. With each of these provisions in place, the WCB would have the ability to carry out its mandate.

The accountability relationship between the WCB and the Association boards will determine whether the Association boards remain executive or become advisory boards. The Task Force believes that Associations with representative boards which establish performance agreements and streamlining objectives should remain independent. Where this is not the case, the WCB should be able to step in on a temporary basis. The rationale for this approach is set out below.

Performance Agreements

In order for a performance-based prevention initiative to be carried down to the level of the workplaces of Ontario, the WCB and the Associations need to agree upon their mandate, agree on the basis for selecting companies, define their

targets, and establish a baseline against which success can be measured. The stakeholders considered this to be a positive approach with the caveat that Associations should not be held accountable for companies that refuse to participate. It is the Task Force's view that, in such circumstances, the Associations should work in partnership with the MOL to motivate recalcitrant employers to improve health and safety. One group suggested that the agreement be entered into for a three-year period and results evaluated annually. The Task Force endorses this approach.

Representative Boards

In 1990, the Occupational Health and Safety Act mandated that the HSDOs have bipartite boards with equal numbers of employer and worker representatives. This has met with mixed results as noted in the Tuohy and Review Panel reports.[3] Given the complexity and diversity of Ontario's economy, we believe that the Association boards should not be forced into any one model. Accordingly, the Task Force developed a concept of governance which is referred to as "representative" boards, a board which has the support of its key stakeholders.

The Task Force believes that the Associations should continue to operate as independent corporations. However, where an Association does not meet its obligations to the WCB in the areas of performance and streamlining objectives or functional representative boards, the WCB should be empowered to direct the affairs of the Association until the matter is resolved. The Association would be in a form of "trusteeship". During this temporary period, the Association board would

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[3] Tuohy, Carolyn H., Ministerial Review of the Workplace Health and Safety Agency, Toronto, February 1995.

Review Panel, Report of the Workplace Health and Safety Review Panel to the Minister of Labour, Toronto, December 1995.

provide advice on program-related issues and budget, but would not oversee the operation of the Association.

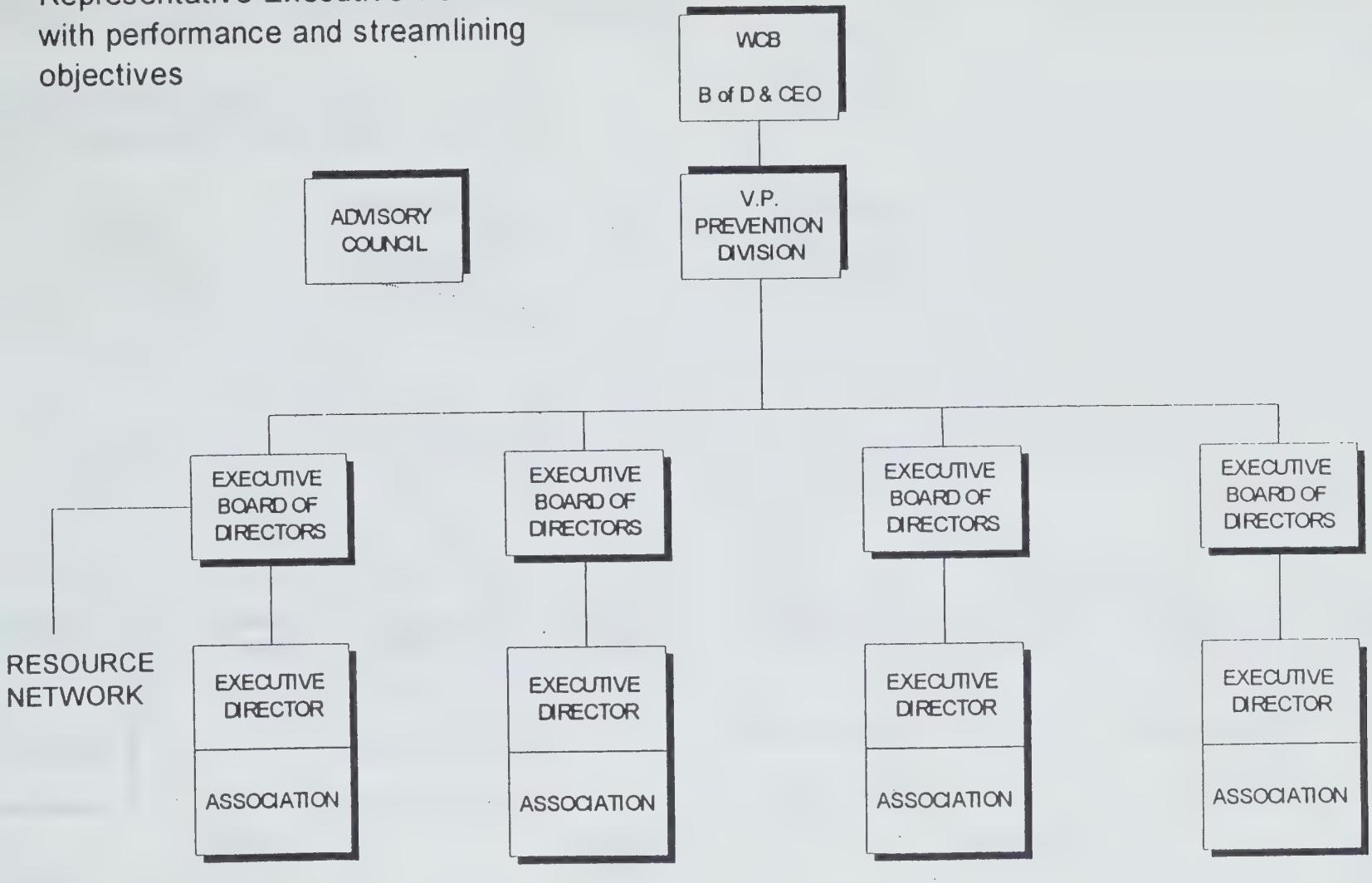
The two governance models illustrated in the following diagrams could operate at the same time, with most Associations in the "executive" category (Model 1).

Streamlining

Streamlining is the third accountability mechanism between the WCB and the Associations. The elimination of duplication and inefficiency can be attacked two ways. The first approach would be to simply reduce overall funding for an Association. A slow squeeze on funding reduces budgets, but does not eliminate inter-organizational duplication which would permit a sizeable reduction in budget while maintaining service levels. That is why the Task Force argues for the WCB to have the authority to require the Associations to restructure support services.

GOVERNANCE MODEL # 1 *

Representative Executive Boards with performance and streamlining objectives

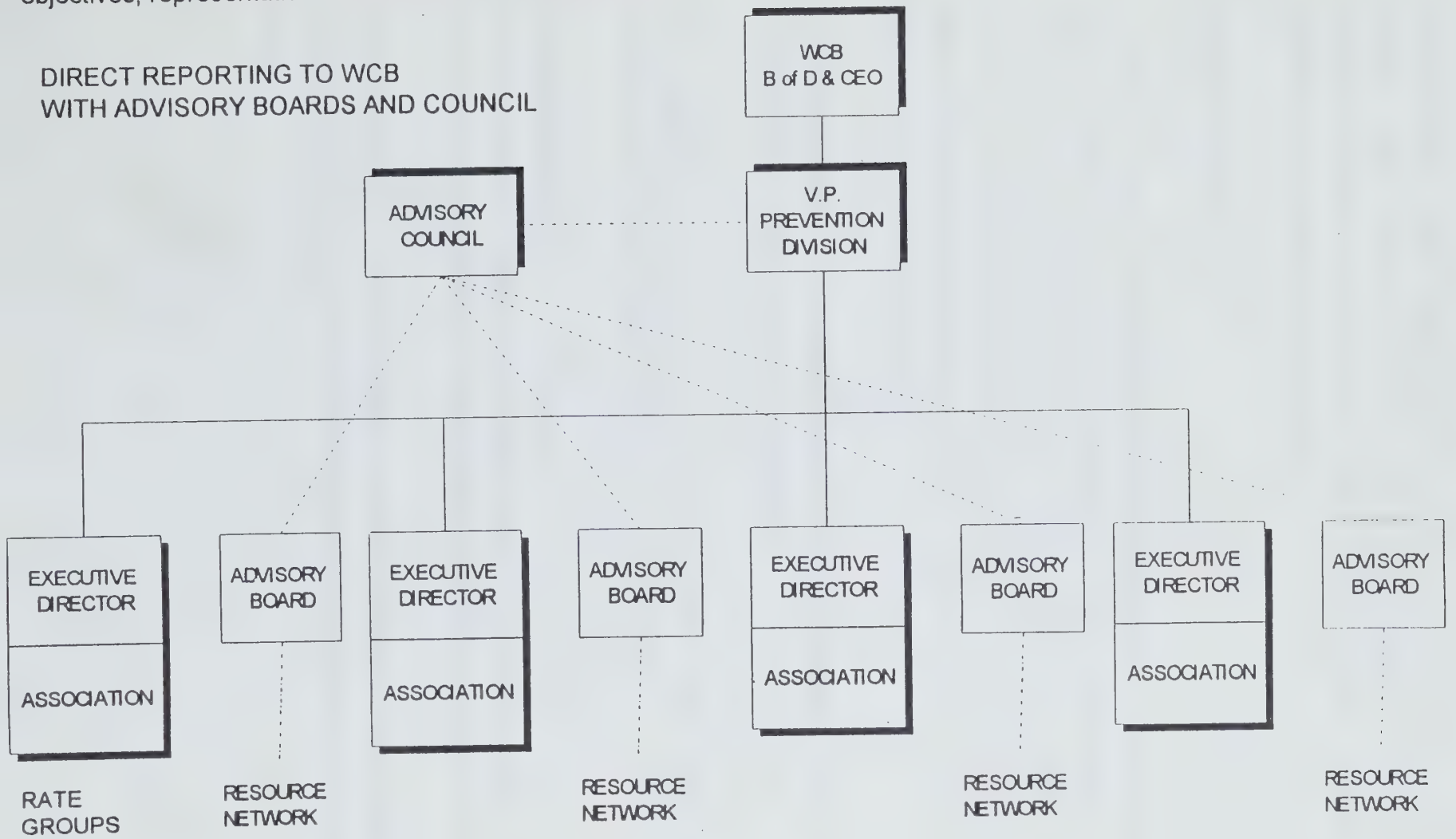


* There will be more than 4 Associations

GOVERNANCE MODEL #2 *

WCB trusteeship pending development of performance objectives, representative board structure and streamlining

DIRECT REPORTING TO WCB
WITH ADVISORY BOARDS AND COUNCIL



* At any given point in time, there may (or may not) be Associations operating in this mode.

The Review Panel Report suggested that the cost of support service be reduced by 30%. In our discussions, while we heard some support for this target, a number of groups questioned whether it could be fully achieved. This issue will be treated in more depth later in the report.

Advisory Council

An Advisory Council on Workplace Health and Safety should be established to assist the WCB in broad prevention-related policy and program issues. The Council should be chaired by the WCB official responsible for the prevention function. The WCB would select individuals from the Association boards, government, and occupational health and safety professionals on the basis of their ability to drive prevention forward.

Recommendation 2: That the Associations be governed by executive boards deemed representative by the WCB.

Recommendation 3: That each executive board develop performance standards and streamlining objectives with the WCB.

Recommendation 4: That where an Association cannot meet recommendations 2 and 3, the WCB have the authority to take direct responsibility for the affairs of the Association on a provisional basis.

Recommendation 5: That a multistakeholder Workplace Health and Safety Advisory Council to the WCB be established to provide advice on strategic issues.

SECTOR-BASED ASSOCIATIONS

Tying an Association to a sector in the economy is important because it facilitates a common understanding among members relating to issues and priorities. There is also the question of trust. The relationships among the members is vital to the volunteer effort and the credibility of the services. From these perspectives and those of governance and service delivery, the initiatives which were taken in 1993 and 1994 to merge some associations and fold others into the Workers Centre and the IAPA created a number of problems which need to be addressed.

Accordingly, the Task Force recommends that the Associations be structured along the following lines:

Recommendation 6:

- ***that the Construction Safety Association of Ontario continue,***
- ***that the Electrical Utilities Safety Association continue,***
- ***that the Transportation Safety Association of Ontario continue,***
- ***that the Farm Safety Association continue,***
- ***that the Municipal Health and Safety Program become the Municipal Health and Safety Association, established as a corporate entity,***
- ***that the Ontario Natural Resources Safety Association be replaced by separate Associations for mining, forestry, and pulp and paper,***
- ***that the funding for the education and health care sectors be removed from the Workers Centre and that two new Associations, one for each sector, be created,***
- ***that a new Association be established for the private service sector and that the appropriate rate groups and their monies be removed from the Industrial Accident Prevention Association, and***

- ***that the IAPA continue to be responsible for the broader manufacturing sector.***

Three subsidiary issues were raised during the Task Force's consultations. It has been suggested that the mine rescue program be shifted from the Ministry of Labour to the Mines Accident Prevention Association of Ontario (MAPAO). The Task Force believes this is the appropriate direction given that the MOL is not in the business of training and given that the MAPAO has had active support from both employers and employees.

Recommendation 7: That consideration be given for the mine rescue program to be assigned to the Mines Accident Prevention Association of Ontario.

Schedule 2 employers have increased in some sectors such that a sizeable portion of the membership of a sector may not contribute, yet may expect to use the services of an Association. Similarly, certain federally chartered corporations should also be brought under the wing of an Association as part of the service agreement between the WCB and the Federal government. The Task Force believes that these issues should be considered in the context of the funding base of an Association.

Sector links are important for accountability for results, for funding, and for relevance. However, geographic-based program delivery is also important, especially where small business is concerned. The Associations should pool services in geographic communities to support the self-reliance of small business.

The Safe Communities' Foundation highlights what is needed in this area. The Task Force supports the initiative which promises to assist those companies which

have traditionally been so difficult to mobilize. If the community is behind it, small business will also participate.

Recommendation 8: That the Associations pool services in geographic communities to support the self-reliance of small business.

Workers Health and Safety Centre

The Workers Health and Safety Centre is an effective training institution providing health and safety courses primarily to workers and some management representatives. It uses a train-the-trainer technique. It has been effective in reaching high school students through the Young Worker Awareness initiative.

If the Workers Centre were to continue, it should meet the following conditions. It should not have Association or "HSDO" status since it cannot offer a full range of sector-related services and its basic structure and functions would not fit well with the sector performance agreement system recommended above. However, the Workers Centre could continue to play an important role as a training body. Its funding and staffing levels should be reduced to take into account the new health and education associations. As it would not be an "Association", its board should be representative of the trade unions.

One of the points of contention in the past has been the assertion that the Workers Centre's programs have been "forced" on employers. This has been resolved by a policy which gives the employer the final say on which organization provides certification training.

The Task Force believes that the Workers Centre should be part of the proposed rationalization of support services and physical facilities recommended for the Associations.

Occupational Health Clinics for Ontario Workers

The Occupational Health Clinics consists of four clinics located in Hamilton, Toronto, Sudbury, and Windsor. They are co-ordinated out of Toronto. In 1994, the clinics saw 1,000 clients. In 1995, they saw 1,200. They also carried out workplace preventive services which reached some 22,000 workers. Currently, they receive an annual grant of $4.2 million.

The Task Force did not hear a compelling case for the continued operation of these clinics and we had difficulty seeing how they fit into the future vision of health and safety programming contained in this report. However, any decision on their future should be reserved until the results of the operational audit, expected in late July, are studied.

STREAMLINING

Reducing Overhead Costs

Table 1 sets out the overall staffing to the Associations for 1996. The support service component has been noted separately. Support services constitute 34% of staff and 23% of the $47 million grant, or $11 million per annum. It should be noted that the ratio of support service staff to total staff is only one measure of efficiency.

Table 1

1996 SUPPORT SERVICE STAFFING LEVELS

	TOTAL*	ADMIN**	
HSDOs:			
CSAO	103	38	36.9 %
EUSA	39	8	20.5 %
IAPA	227	76	33.5 %
MHSP	8	1	12.5 %
ONRSA	53	16	30.2 %
TSAO	25	5	20.0 %
WORKERS CENTRE	86	48	55.8 %
OHCOW	45	11	24.4 %
FSA	12	2	16.7 %
TOTAL	**598**	**205**	**34.3 %**

Notes:

* Includes permanent and temporary staff.
** Includes Administration, HR, Systems, Finance/Accounting, Warehouse, and Marketing/Communications.

As noted earlier, the Review Panel Report recommended that the Associations be streamlined and that a 30% reduction in support service costs be targeted. The Task Force believes that this could be done by creating a common service group drawn from existing Association staff.

The streamlining objective would be facilitated by the location of the Toronto-based Associations in one facility such as the Downsview Rehabilitation Centre (DRC) of the WCB.

The North Bay office of the ONRSA should continue to house the new mining, forestry, and pulp and paper associations. The common services, both administrative and technical, should be jointly administered. The Farm Safety Association should remain in Guelph, but draw on the common services.

Additional savings could be accrued by consolidating field offices. At present, the IAPA and the Workers Centre each have district offices. They are often in the same geographic area. Existing MOL and WCB offices may have space which could accommodate them.

The Task Force suggests that, wherever feasible, the field staff in Association district offices be relocated to WCB and/or MOL offices.

Where the field staff operate from their homes, they should meet at the WCB offices on a regular basis. This would facilitate cross program communication, team work, and joint problem solving. The WCB should ensure that regular interaction among its staff, the MOL and the Associations occurs.

Recommendation 9: The Task Force recommends

- *that the Minister of Labour direct the WCB to pursue streamlining the Associations,*
- *that the streamlining of Association support services set an initial reduction target of 30%,*
- *that the WCB pursue streamlining options which include relocation to its Downsview Rehabilitation Centre and establishing a common services unit or, absent the relocation, simply establishing a common services unit.*

The Task Force supports the Review Panel proposal that savings be invested in occupational health and safety research.

FUNDING

At the present time, the budgets of the associations do not actually reflect the levies assessed against their members. Table 2 illustrates the current imbalance and cross-subsidization.

Table 2. Comparison of projected amounts levied from WCB Assessments with expenditures of organizations funded by the Workplace Health and Safety Agency, 1995.

Organization	Projected amount levied for WHSA from rate groups assigned to each HSDO ($)	Actual Expenditures of WHSA Grant ($)
CSAO	9,662,630	9,481,800
EUSA	314,127	2,324,340
IAPA	39,541,670	14,839,448
MHSP	797,563	558,205
ONRSA	2,397,705	4,683,115
TSAO	2,010,156	1,792,616
WORKERS CENTRE	5,525,779[1]	9,586,750
OHCOW		4,080,564
WHSA operating & grants[2]		31,570,908
TOTAL	60,249,630	78,917,746[3]

1 This represents the WHSA portion of assessments for the education and health care rate groups. The Workers Centre also serves clients in all of the other rate groups.

2 Includes grants/first aid/construction sector funding. 1995 figure also includes $9,066,793 in restructuring costs due to the disbandment of the Agency.

3 Of this, $62,007,400 is funded through the WCB.

What are the implications of restoring a relationship between the levies against companies and their Association budgets? It would mean that the leadership of the Association would need to have the support of its members in making a request for funds. The leadership would also be held accountable for the achievement of results for the expenditure of funds. It means that, where a sector believes that more funds should be raised to achieve a specified result, then the WCB should establish a policy ensuring that the extra levy be charged against those companies in the sector. This would also place a burden on the WCB itself to scrutinize these requests in the context of the overall strategy and performance objectives.

Recommendation 10: That the sectoral Associations have their funding directly linked to rate groups and that cross-subsidization cease.

In discussions with stakeholders, the elimination of cross-subsidization was unanimously supported.

A Voucher System?

The overall Association funding system should serve as a tool which links to other financial incentives to motivate employers to take action to prevent losses arising from injuries and illness. Should a portion of a large company's levy for their association be available to it as a voucher to obtain services from the best provider? Should the associations receive their base funds to assist the smaller companies who do not have the payroll to accumulate sufficient funds to make a voucher a significant tool?

A voucher system could spur competition within the health and safety marketplace. It could expand the range of services available. It could force the Associations to

offer programs which the marketplace needs. Employers would be able to decide how and where a significant portion of their assessment dollars for prevention services would be spent in company for health and safety purposes.

In discussions with stakeholders, the voucher system received mixed reviews. In some sectors it was seen as the death knell of the Association. In other sectors, they thought it would be too complex to administer. Yet others saw it as a viable tool which merited further consideration. The Task Force believes that the WCB should consider this approach in its review of incentive programs to encourage employers to prevent injuries and disease.

INTERIM STEPS

The Task Force recommends that the Associations continue to receive WCB funding on an interim basis until the new structure recommended above is created. The implementation of this report will require both legislative and administrative actions.

The Task Force believes that the WCB should initiate regular discussions with the MOL and the Associations to move forward once the report or parts of the report are accepted.

The interim process would get the WCB from where it is today to be able to meet its new mandate. It should begin as soon as possible, but no later than September. There is much work to be done before December 31, 1996. The Occupational Health and Safety Act and the Workers Compensation Act must be amended. The funding of the Associations must be realigned and the process for setting the 1997 rates should take this into account. The new Associations will need to be brought on line.

The WCB should work closely with the Associations to determine performance and streamlining objectives. It should consult on the representational nature of the Association boards. A task group should be set up to move forward on the consolidation of main offices and field offices.

Appendices

Appendix A

Excerpts from the Report of the Workplace Health and Safety Review Panel

V. HEALTH AND SAFETY DELIVERY ORGANIZATIONS

Terms of Reference: "Review the structure of the Health and Safety Delivery Organizations."

Beginning in the early part of this century, there has developed an extensive network of what are now referred to as health and safety delivery organizations, HSDOs for short. These accident prevention associations are permitted to be formed by employers of certain rate groups on a voluntary basis under provisions of the Workers' Compensation Act. The Agency is authorized to fund them as well as the medical clinics, and worker occupational health and safety training centres under provisions of the Occupational Health and Safety Act. There are currently seven HSDOs, the Construction Safety Association of Ontario (CSAO), Electrical Utilities Safety Association (EUSA), Industrial Accident Prevention Association (IAPA), Municipal Health and Safety Program (MHSP), Ontario Natural Resources Safety Association (ONRSA), Transportation Safety Association of Ontario (TSAO), and the Workers Health and Safety Centre (WHSC), and four medical clinics run by the Occupational Health Clinics for Ontario Workers. From 1978 to 1993, there were four resource centres located at universities in Waterloo, Thunder Bay, Kingston, and London. They provided information and technical services to business and labour in their communities.

This part of the report focuses on the HSDOs. Their purpose was and is to reduce and, hopefully, eliminate workplace injuries and disease through advisory services and training to employers and workers. They, generally, have operated as non-share capital corporations governed by a board of directors employing their own staff and also relying on volunteer networks. Funding was received from the WCB and fees paid by employers.

The HSDOs have traditionally provided consultation, information, technical studies, research, training, program development, and delivery. They depend upon a significant network of volunteers to get the accident prevention message out to the communities. The HSDOs represent the "helping" arm of health and safety services. They complement the stronger role of the Ministry inspectorate.

Because their genesis was through the voluntary association of employers, the HSDOs were predominantly regarded as "employer" organizations, although they provided services to workers and managers alike. All but one are "sector-oriented" as their programs were tailored to specific industries, e.g., mining, transportation, and so on. The IAPA offers programs which span thirteen discrete sectors among its clients.

In the early 1980's, an HSDO oriented specifically to workers, rather than a "sector" was created, as an arm of the Ontario Federation of Labour, called the Workers' Health and Safety Centre. Initially funded directly by the Ministry of Labour, it fell under the auspices of the WCB in 1985 and began receiving WCB funds paid from employer assessments.

Bill 208 gave responsibility for all HSDOs to the Agency and mandated that WCB funding would flow through the new Agency board which would decide how it would be allocated. It also mandated that, henceforth, HSDOs would be governed by "bipartite" boards, i.e., having equal representation of management and workers. This provision was later interpreted by the Agency to mean approved union representatives, with respect to workers.

Once established, the Agency, in exercising its HSDO governance function, sought to "streamline" the system through its newly established "power of the purse". The mining (Mines Accident Prevention Association of Ontario),

forestry (Forest Products Accident Prevention Association), and pulp and paper (Ontario Pulp and Paper Makers Safety Association) HSDOs, previously independent, were consolidated under a new body called the Ontario Natural Resources Safety Association (ONRSA) headquartered in North Bay. The Tourism and Hospitality Industry Health and Safety Education Program (THIHSEP) was melded into the IAPA. Funding for the Colleges, Universities and Schools Safety Council of Ontario (CUSSCO) and the Care-givers of Ontario Safety and Health Association (COSHA) was redirected to the Workers' Health and Safety Centre (WHSC). As well, many staff from these two organizations transferred to the WHSC. In addition, the IAPA and WHSC created a new bipartite umbrella body called the Council of Ontario Sectoral Health and Safety Organizations (Sectoral Council) in order to meet the requirements of legislation and the policy of the Agency. At present, the WHSC remains the sole delivery organization whose board of directors is not bipartite. While bipartite, the IAPA board contains union and non-union worker representatives.

Finally, in an effort to promote coordination and efficiency, three other HSDOs were mandated to share common services and facilities while maintaining their own governing structure. They are the Electrical Utilities Safety Association (EUSA), the Transportation Safety Association of Ontario (TSAO), and the Municipal Health and Safety Program (MHSP).

The Construction Safety Association of Ontario (CSAO) continued to function as it had in the past.

Operating within a global funding allocation from the WCB, the Agency reallocated funding to the various HSDOs. The net result of this is displayed in a table on page 34.

The Panel heard a great deal on the subject of the organization and operation of the health and safety delivery organizations from the HSDOs themselves, many business and government employer associations, some labour and professional organizations, individual businesses, training consultants, and so on. Each had an important story to tell and many made recommendations.

In an attempt to frame a recommendation, we tried to identify what common threads there were amongst the 100 plus submissions, and they are as follows.

First, Ontario has an extremely well-developed network of HSDOs. They are composed of very dedicated people, professionals, and volunteers, who take great pride in their work and, naturally, want to see it continue.

Second, everyone thinks there is still room for improvement. While accident rates are declining in Ontario[9], as they are in many other industrial jurisdictions, there still remains a long way to go and many ways of getting there. One area often cited as needing improvement is that of better coordinated and more efficient targeted service delivery.

Third, while bipartite governance did not work well at the Agency, with some exceptions, the transition to bipartite governance at the HSDO level has been a positive step whether within the Agency definition or otherwise.

Fourth, the maintenance of a strong relationship of trust between HSDOs and their clients, management and/or labour, is absolutely essential.

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[9] See Appendix C.

So, while there may be differences of opinion about the preferred future structure of the HSDO network, it is clear that whatever direction we choose to follow, Ontario has a strong base upon which to build.

As noted, the many submissions received by the Panel raised all kinds of concerns and challenges. The short time of our review does not permit us to go into all of the points contained in the submissions, but in general, they can be highlighted as follows:

- **Consolidation**: Measures to consolidate and streamline HSDOs have had mixed results. In the case of the Ontario Natural Resources Safety Association, all three of the industry employers' associations, i.e., the Ontario Mining Association, the Ontario Forest Industries Association, and the Pulp and Paper Manufacturers Association, have recommended that the earlier model involving three separate organizations be recreated. The Ontario Hospital Association, the Ontario Association of School Business Officials, the Ontario Separate School Trustees' Association and the Ontario Catholic Supervisory Officers' Association have also indicated dissatisfaction with the new "homes" of their safety associations. Some employer associations want a new HSDO to be created for the service sector, as distinct from the industrial/manufacturing focus of their current service provider. The co-location of EUSA, MHSP, and TSAO has not worked in the eyes of the Associations.

- **Funding**: A number of associations and HSDOs have raised questions about the equity of current funding arrangements which do not presently directly relate what sectors contribute through

WCB premiums and what they receive in turn through HSDO programming. This is illustrated in Table 2.

Table 2. **Comparison of amounts levied from WCB Assessments with expenditures of organizations funded by the Workplace Health and Safety Agency, 1994.**

Organization	Amount levied for WHSA from rate groups assigned to each HSDO ($)	Actual Expenditures ($)
CSAO	8,354,562	9,255,000
EUSA	267,659	2,203,700
IAPA	41,089,759	15,953,436
MHSP	782,393	459,900
ONRSA	2,696,552	4,740,909
TSAO	2,155,011	1,650,800
WHSC	5,580,013[1]	9,224,264
OHCOW		3,841,874
WHSA operating & grants[2]		21,431,354
TOTAL	60,925,947	68,761,237[3]

[1] This represents the WHSA portion of assessments for the education and health care rate groups. The WHSC also serves clients in all of the other rate groups.

[2] Includes grants/first aid/construction sector funding.

[3] Of this, $62,007,400 is funded through the WCB.

- **Sector v. Dual Model**: Most employer associations express a strong preference for sector-oriented HSDOs, and, therefore, call into question the legitimacy of funding the Workers Health and Safety Centre. Some also call for a realignment of HSDO organizations based on WCB rate groups. The preponderance of submissions expressed a strong preference for realignment along sectoral lines. On the other hand, as noted by Tuohy[10], there are some who prefer a "dual model", which could eventually lead to only two HSDOs, one for employers and one for labour, with each controlling half of the available funds.

- **WCB**: As noted earlier, some question how much priority injury and disease prevention would receive in a reconstituted Workers' Compensation Board when they perceive it to have had a lukewarm approach to this field prior to 1990, and where the on-going issues of liability reduction will have to command so much future attention.

Given the diversity of opinion and the organizational complexity of the subject, one has to begin by laying out basic principles and drawing some lessons from recent history.

The first principle we would like to refer to is that of "trust", which was noted above. Time and time again, it was emphasized to the Panel that the effective operation of any HSDO depends on absolute trust between it and the client. Trust is something that does not come overnight, but rather through long association and "track record".

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[10] Tuohy, p.37

The second principle relates to efficiency and coordination, two sides of the same coin. The 1990's are seeing major changes in the way private and public organizations must operate in order to survive. Our society is increasingly intolerant of so-called "stove-pipe" structures which measure success by the amount they spend and how much turf they control. HSDOs, like other organizations, public and private, must rationalize and streamline their operations in a cooperative environment if they are going to be successful in the future.

On the other hand, we must also take a lesson from the short history of the Agency. Too much change imposed too quickly from too high above can create more problems than it solves. The dimensions of health and safety in Ontario are massive. There are about five million workers, 300,000 firms, thousands of union locals, hundreds of employer associations, not to mention the HSDOs themselves with their professionals and volunteers, other related groups, and government bodies. Substantive change will "take" a lot better when care is given to consult with and involve all aspects of this vast community.

Some other important concerns also must be kept foremost in mind in moving to a better system.

- Volunteers: HSDOs are supported by a vast network of dedicated volunteers who provide direct customer input and additional resources. They should continue to be part of any future model that is adopted.

- Sector Input: Each of the key sectors must always be closely consulted at both the labour and management levels.

- Grass Roots: Those involved in the front line of occupational health and safety delivery, management, labour and government, professionals and volunteers, need to be involved.

- Responsiveness to Clients: A new system has to be continually responsive to the needs of all clients to ensure that health and safety programs are relevant to those who use them.

- Balancing Contributions and Benefits: Program delivery to sectors should be, at least, roughly proportional to their financial contribution through WCB assessments.

- Professionalism: Strengthening the professional competence of employees in the HSDOS is important in the light of increasingly complicated technology and safety and injury problems. Enhanced educational quality will make it possible to deliver more effective and efficient injury prevention services.

The Panel sifted through a multitude of recommendations for new models of health and safety delivery. However, even though we received any number of constructive proposals, there is no way we could reach a workable consensus on a specific model in the time allowed. The Panel feels that its best contribution is to recommend the creation of a framework structure that will provide proper governance on an interim basis, and stands the best chance of working out a longer run solution. The Province should not try to leap from the current system to some brand new model nor should it scrap what has already been accomplished and go back to square one. Instead, it should initiate a process to find the better model by first clearly defining responsibilities and accountability in occupational health and safety, creating a structure that will both effectively govern the current system and orchestrate a process to create a new model that will be more efficient, better coordinated and accepted by the OHS community.

What specific steps are needed to accomplish this? We have already dealt with the issue of locating the Agency programs within the WCB and this would include responsibility for the HSDOs. At this stage, we believe that little would be gained by any immediate changes to the structure of the HSDOs except to

recognize that this structure must soon evolve into something better. Most members of the Panel believe that the responsibility for this change should rest with the Workers' Compensation Board. It should carry out the process of change in an expeditious manner so that by the end of six months the future role, mandate, and structure of the HSDOs is set out. The associations have never been audited from a value-for-money perspective. It would be prudent at this time to do so. In addition, the WCB should consider the services delivered by the HSDOs in order to ensure that they compare favourably with services provided by similar organizations in other jurisdictions. The review should also examine whether there is any duplication in the development and provision of services. To address the issue of the governance of the HSDOs, the WCB should commission a study of the alternative models, with particular attention being paid to the criteria noted above.

In order to receive the best advice possible during this interim period, the Panel believes that the WCB should establish an advisory committee on the role and governance of the HSDOs. The committee should be composed of the users of the services of the HSDOs as well as having representatives from the HSDOs themselves and appropriate government agencies. It should be chaired by the person who has been selected by the WCB to lead the health and safety function. In this way, the WCB would be able to provide the information from the above studies to the committee and receive its advice on how to change the organizations to improve service delivery, ensure more equitable funding, and reduce unnecessary costs.

The Panel believes that the memorandum of understanding between the Minister and the WCB Chair should incorporate the above matters.

Recommendation 8: Responsibility for overseeing and funding the HSDOs should be transferred to the WCB. In order to complete the restructuring of the HSDOs, the WCB should

- *establish an advisory committee composed of stakeholders, namely, users and providers of these services, including OHS specialists and appropriate government agencies;*
- *commission a study on the governance of the HSDOs in relationship to the WCB itself;*
- *better relate WCB premiums by rate groups to HSDO funding;*
- *commission an independent value-for-money audit of the HSDOs by the Provincial Auditor;*
- *commission a program review in the context of similar programs in other jurisdictions; and*
- *submit its recommendations to the Minister by July 1, 1996.*

Appendix B

List of Participants at Informal Meetings

April 9 - June 17, 1996

Appendix B

List of Participants at Informal Meetings
April 9 - June 17, 1996

Construction Safety Association of Ontario

William Baird
Joe de Wit
Don Dickie
Patrick Dillon
Joe Duffy
David Frame
Kerry MacDonald
Andy Manahan
Roy O'Rourke
Byron Scott
Richard Zeidler

Transportation Safety Association of Ontario

John Bond
Bill Boyle
Dave Hartling
Marcel Pouliot

Natural Resources Sector

John Blogg, *Ontario Mining Assn*
Baxter Leduc, *Ontario Mining Assn*
Marie Rauter, *Ontario Forest Industries Assn*

Municipal Health & Safety Program

Sharon Faulds
Ken Fisher
Rick Houston
Andy Kostiuk
Carman Morrison
Paul Mustard

Electrical Utilities Safety Association

Mark Kellett
Keith Matthews
Bill Moore
Chuck Tallon
Rick Wacheski

Workers' Health and Safety Centre

Clarence MacPherson
Cliff Pilkey

Farm Safety Association

Bob Allan
Pat Morgan
Jane Reed

Industrial Accident Prevention Association

Ken Adamson
Peter Mueller
Mike Nichols
Michael Papps
Maureen Shaw

Ontario Federation of Labour

Vern Edwards
Ken Signoretti
Gordon Wilson

OHS Professionals

Arlene Berthelot, *Ontario Occupational Health Nurses Assn*
Lydia Biel, *Health Care Occupational Health Nurses of Ontario*
Theresa Bielawshi, *Ontario Society of Occupational Therapists*
Lily Cheung, *Ontario Medical Assn - Occup/Environmental Medicine*
Beverley Cowan, *Toronto Occupational Health Nurses Assn*
Renzo Dala Via, *Canadian Registered Safety Professionals*

Lisa Doupe, *Ontario Medical Association, Environmental Medicine*
Frances Makdessian, *Alliance of EMS Professions*
Don Mitchell, *Assn for Canadian Registered Safety Professionals*
Mark Nazar, *Occupational Hygiene Assn of Ontario*
George Pappas, *Canadian Society of Safety Engineers*
Frank Stuart, *Canadian Registered Safety Professionals*
Geoff Wright, *Alliance of Environment, Health & Safety Professions*

Ontario Natural Resources Safety Association

Conrad Blake
John Connors
Sandra Falcone

Teachers' Associations

George Ade, *Ontario Secondary School Teachers' Federation*
Victoria Hannah, *Ontario English Catholic Teachers' Assn*
Bill Reith, *Ontario Secondary School Teachers' Federation*
Mike Walsh, *Ontario Secondary School Teachers' Federation*

Occupational Health Clinics for Ontario Workers

Dick Barry
Ray Walker

Health Care/Education Sector

Donna Cansfield, *Ontario School Boards Assn*
Dennis Carter, *Ontario Assn of Non-Profit Homes & Services for Seniors*
Jim Flett, *Ontario Hospital Assn*
David Gorman, *Council of Ontario Universities*
Len Hong, *Council of Ontario Universities*
Michael Kennedy, *Ontario Assn of Non-Profit Homes & Services for Seniors*
Charlene Kluczuyk, *Ontario Assn of Non-Profit Homes & Services for Seniors*
Irene Krahn, *Ontario Nursing Home Assn*
Paul Lemay, *Ontario Hospital Assn*
Earl McCabe, *Ontario Separate School Trustees Assn*
Lewis Morgulis, *Ontario Assn of School Business Officials*
Brian O'Riordan, *Ontario Hospital Assn*
Doris Searle, *Ontario Public School Boards Assn*
Brian Siegner, *Ontario Hospital Assn*

Mary Smith, *Ontario Public School Boards Assn/CUSSCO*
Kevin Stewart, *Council of Ontario Universities*
Malcolm Winter, *Ontario Nursing Home Assn*

Manufacturing Sector

Judith Andrew, *Canadian Federation of Independent Business*
Gail Bolubash, *Canadian Petroleum Products Institute*
Patricia Briggs, *Employers Advocacy Council*
Ian Campbell, *Canadian Manufacturers Assn*
Warren Clements, *PPG Canada Inc.*
Ron Cook, *CAMI Automotive Inc.*
Ian Cunningham, *Ontario Chamber of Commerce*
Basil Darrah, *Society of Plastics Industry of Canada*
Jack Davies, *Automotive Industries Assn*
Rae Erskine, *Lever Pond's*
Ted Fullerton, *Chemical Sector*
Terry Gates, *NACAN Products Ltd.*
Sherri Helmka, *Employers Advocacy Council*
Ian Howcroft, *Canadian Manufacturers Assn*
Norm Huebel, *Canadian Chemical Producers' Assn*
Brian James, *Rubber Association of Canada*
Mary Jones, *Cooper Automotive Products*
Gerry King, *Rubber Assn of Canada*
Colleen Ladd, *Canadian Federation of Independent Business*
Ken MacDonald, *Automotive Parts Manufacturers Assn*
Travis More, *Pharma Plus Drug Mart*
Neil Murray, *Canadian Petroleum Products Institute*
Mary Roy, *CCL Industries Inc.*
Cathy Stark, *Accuride Canada Inc.*
Carmer Sweica, *Employers Advocacy Council*
Yasmin Taromohamed, *Motor Vehicle Manufacturers Assn*
Bruce Waechter, *Ford Motor Company*
Dean Wilson, *Automotive Industries Assn*

Ontario Service Alliance

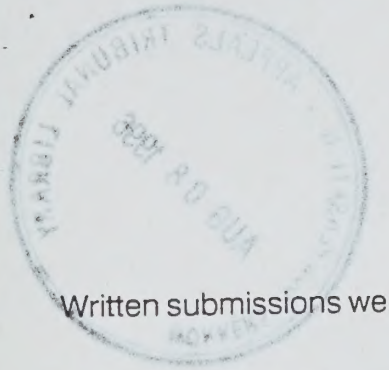
Bill Davis, *Ontario Automotive Dealers Assn*
Arlene Lannon, *Canadian Council of Grocery Distributors*
Elizabeth Mills, *Retail Council of Canada*
Paul Oliver, *Ontario Restaurant Assn*
Max Roytenberg, *Canadian Council of Grocery Distributors*

Communications, Energy and Paperworkers Union of Canada

Joel Carr
Cecil Makowski

Appendix C

List of Submissions Received



Appendix C

List of Submissions Received

Written submissions were received from the following organizations and individuals.

Alliance of Environment, Health & Safety Professionals of Ontario
Canadian Auto Workers, Local 444
Canadian Manufacturers' Association
Canadian Petroleum Products Institute
Ceramics & Stone Industry Association
City of St. Catharines/Transportation & Environmental Services
Construction Safety Association
Council of Ontario Construction Association
Domtar Packaging/Sandra Falcone
Farm Safety Association
Food Products Accident Prevention Association
Grain, Feed & Fertilizer Accident Prevention Association
Inco Limited
Motor Vehicle Manufacturers' Association
Ontario Concrete Pipe Association
Ontario Federation of Labour
Ontario Forest Industries Association
Ontario Grain & Feed Association
Ontario Hospital Association
Ontario Mining Association
Ontario Natural Resources Safety Association
Ontario Nurses Association
Ontario Public School Boards' Association
Ontario School Bus Association
Ontario Service Alliance
Ontario Woodlands Safety Association
Stone-Consolidated Corporation
Ted Fullerton, Sector Coordinator
The Woodworkers' Accident Prevention Association
Town of Dryden
Workers Health and Safety Centre

WORKERS' COMPENSATION - APPEALS TRIBUNAL LIBRARY
AUG 08 1996

HD 7262 G52 1996 WCAT
Report of the Task Force on the Restructuring of the Health and Safety Delivery Organizations ...

DATE	ISSUED TO

HD 7262 G52 1996 WCAT
Report of the Task Force on the